

Minutes of the Personnel Committee

Tuesday, August 16, 2011

Chair Paulson called the meeting to order at 1:00 p.m.

Present: Supervisors Duane Paulson, Gilbert Yerke, Paul Decker, Dan Draeger, and Steve Wimmer. Wimmer left the meeting at 2:50 p.m. **Absent:** Pete Gundrum and Jim Heinrich.

Also Present: Chief of Staff Mark Mader, Human Resources Manager Jim Richter, Employee Benefits Administrator Pete Hans, Principal Human Resources Analyst Terri Sgarlata-Lutz, Business Manager Lyndsay Johnson, WPPA Union Member Terry Tesch, Administration Director Norm Cummings, Parks & Land Use Director Dale Shaver, and Principal Risk Management Analyst Mark Jatzak. Recorded by Mary Pedersen, County Board Office.

Approve Minutes of 7-19-11

MOTION: Decker moved, second by Yerke to approve the minutes of July 19. Motion carried 5-0.

Chair's Executive Committee Report of 8-15-11

Paulson highlighted the following items from the last Executive Committee meeting.

- Reviewed the internal audit of the Communications Center which may result in budget impacts.
- Heard an update on small business retention by Waukesha County Economic Development Corporation (WCEDC) staff.
- Approved various ordinances to accept grant funds, ban artificial marijuana in Waukesha County, and apply future funds for the new Human Services building for current purchases to take advantage of good prices.
- Approved various appointments.

Schedule Next Meeting Dates

- September 20

Ordinance 166-O-046: Ratification Of 2011 – 2012 Wisconsin Professional Police Association Collective Bargaining Agreement

Richter and Cummings discussed this ordinance which includes a 2% across-the-board increase effective December 31, 2011 to all WPPA union employees. Due to recent changes in Wisconsin law, health benefits for protective employees covered by a collective bargaining agreement are no longer subject to bargaining. Cummings said because these employees are exempt from retirement contribution requirements and did not agree to contribute during negotiations, beginning in 2012 they will be limited to the County Health Savings Account (HSA) as their health insurance plan. Richter advised that this change will save an estimated \$235,904 annually.

The net fiscal impact of this ordinance including salary, retirement, social security, and the health plan change totals -0.03%.

Richter explained that HSA's have been available to County employees for a number of years now. Employees pay 10% of the premium, same as the current Point of Service (POS) plan. HSA's have higher deductibles than the POS plan: \$1,500 single/\$3,000 family versus \$150 single/\$450 family. Other employees will have three health insurance options to choose from beginning in 2012 including two POS plan options and the HSA plan. Cummings said the savings from an HSA plan is equivalent to a pension contribution of 2.75%. By next year, all other employees will begin paying 5.9% towards their pensions. Cummings said an HSA is a very good plan and that is what he has. They have higher deductibles but the County contributes \$2,000 towards the \$3,000 deductible (family plan). Premiums are lower and funds can accrue. Richter noted it's a very cost effective plan. He indicated that detailed information will be provided to all affected employees so everyone clearly understands the plan. Cummings said eliminated positions would likely have resulted without this health plan change.

MOTION: Decker moved, second by Yerke to approve Ordinance 166-O-046. Motion carried 5-0.

Ordinance 166-O-045: Approve 2011 And 2012 Salary And Benefit Modifications For Non-Represented Employees

Cummings and Richter discussed this ordinance which results in a net fiscal savings of 1.14%. Cummings said the actual budget savings next year totals 3.14% which helped immensely when they were budgeting for next year. Richter distributed copies of "Non-represented Employee Profiles Based on 2011 and 2012 Ordinance" and "2011 and 2012 Non-represented Employee Wage and Benefit Ordinance Supplement to Show Budget Savings Impact."

Richter said in the past, non-represented employees had been offered the Point of Service (POS) plan and Health Savings Account (HSA) plan. He said they knew they had to look at cost sharing this year so employees would pay more for their health insurance.

Richter advised the health and dental insurance premium cost sharing for part-time employees will be established with 50% of the costs paid by the County and 50% paid by the eligible employee. The maximum dental insurance benefit level in the fee-for-service plan will be \$1,250 per year for all employees except WPPA union employees. Effective January 1, 2011, an across-the-board increase of 1.6% will be applied to the 2010 non-represented salary ranges except for the classifications of Inspector, Deputy Inspector, Captain and Lieutenant. Effective December 31, 2011, an across-the-board increase of 2.0% will be applied to the 2011 non-represented salary ranges.

Richter said effective January 1, 2012, the health insurance premium cost sharing for full-time employees and elected officials will be increased and tied to participation in the Health Risk Assessment (HRA) Program. Employees will be given three health insurance options including the current plan design. Richter advised that preventive services will be covered 100% regardless of which plan they chose due to new federal regulations. In Option 1 of the Choice Plus Health Plan, employees (including spouses) who participate in the HRA Program will pay 13% of the premium cost whereas those who do not participate will pay 15%. Option 2 of the Choice Plus Health Plan includes higher deductibles, participation in the HRA (including spouses), and a 10% premium cost share whereas non-participation results in a 13% premium cost share. The HSA High Deductible Plan includes a 10% premium cost share, no HRA requirement, and a County contribution.

Currently, all employees pay 10% towards their premiums. Richter noted that substance abuse and mental health claims will now be treated like any other medical service. For example, if you are in Option 1 it is 90% County/10% employee; Option 2, 80%/20%; and Option 3, 70%/30%. Efforts will be made to educate employees on the three plans so they can choose a plan that works best for them.

Cummings said it is possible in the future that all employees will be restricted to the HSA plan for their health care. Mader advised if you don't expend the \$1,000 in a single plan, you have the ability to bank that in your HSA. Also, under federal requirements it is prohibited to be on another policy if you are in an HSA.

Decker asked if employees are penalized if they participate in the HRA Program and an illness is discovered. Richter said no, that is not part of the program but it could be some day down the road. It is a participation issue and employees would not be required to meet any health standards. Richter went on to explain the program. Cummings indicated the program is administered by a third party and the County looks at aggregate data only. For example, out of 1,500 employees 100 may be borderline diabetic.

Cummings went on to explain the fiscal note and the handout on the budget impact in detail.

MOTION: Decker moved, second by Yerke to approve Ordinance 166-O-045. Motion carried 5-0.

Resolution 166-R-005: Accept Report Of Community Development Block Grant (CDBG) And Home Program Administration Review

Shaver discussed this resolution which involves moving the CDBG and HOME programs to the Parks & Land Use Department as recommended in a consultant's study titled "CDBG and HOME Program Administration Review and Improvement Project" dated June 23, 2011.

Paulson said this went before Executive Committee where he expressed his concerns. He feels cross training/back-up will be necessary if this move is to be successful. He referred to page 3 of the report which states the awards will go to sub-grantees; in other words, large amounts of money go to larger sub-grantees and then distribute it to smaller sub-grantees. He referred to page 5 of the report and said he is concerned with the use of phone conferences. Corporation Counsel staff have indicated in the past this is not a good idea as opposed to having face-to-face discussions. He referred to page 11 of the report which states a bulletin board of activities will be used and that HUD reports will become electronic.

Cummings said recipients are not getting all the information they need and a more formal process is needed to ensure recipients understand what they are responsible for, timelines, etc. Cummings said more oversight of the programs is also needed, hence the transfer to Parks & Land Use. He noted the HOME Program is geared more toward planning than toward human services. Parks & Land Use staff, particularly in the planning area, will be helpful with administering the funds. Many problems in the past have been procedural. CDBG was supposed to put together a HUD procedural manual but that never happened. Parks & Land Use writes these types of manuals and one will need to be written as it relates to HUD as well. Parks & Land Use staff communicate very well

with the different entities they deal with and they are prepared to provide the necessary oversight and assistance with these programs.

Wimmer questioned what the role of the CDBG and HOME boards will be. Yerke said he was concerned that Parks & Land Use kind of “has their own cookie jar now” and that CDBG and HOME could take on a whole new direction, perhaps funding fewer projects than in the past. Cummings said there is only so much in administrative funds and we have been in jeopardy of losing CDBG funds because we have not monitored our programs effectively, such as a lack of project audits. Cummings stressed that Parks & Land Use does not want any money. He noted that Shaver volunteered to oversee these programs. Cummings said it was suggested that one person sit on both the HOME and CDBG boards which makes a lot of sense. Wimmer agreed. Cummings noted, typically, someone from the Health & Human Services Board also sits on the HOME or CDBG Board. Wimmer said he would support the resolution but has concerns.

MOTION: Yerke moved, second by Wimmer to approve Resolution 166-R-005. Motion carried 5-0.

Wimmer left the meeting at 2:50 p.m.

Six-Month Status Report on Workers Compensation Claims

Jatczak distributed copies of his report entitled “Waukesha County Worker’s Compensation 2007-2011 Claims History Summary.” By the end of the second quarter of 2011, 63 claims had opened, 42 remained open, and total incurred was \$451,595. Since 2007, 538 claims were opened, 68 remained open, and the total incurred was \$4,313,463. Jatczak highlighted some of the larger claims that have opened and closed.

MOTION: Yerke moved, second by Decker to accept the six-month status report on workers compensation claims. Motion carried 4-0.

MOTION: Draeger moved, second by Decker to adjourn at 3:02 p.m. Motion carried 4-0.

Recorded by,

Gilbert W. Yerke
Secretary